ABSTRACT

This study aims to test and analyze the influence of Environmental, Social, Governance (ESG) disclosure on financial performance. Financial performance is calculated by ROA, ROE, and Tobin's Q, while ESG disclosure is determined by the disclosure of environmental disclosure, social disclosure, governance disclosure and ESG disclosure on the Bloomberg database with company size, debt to equity ratio, operating margin, market capitalization as control variables. The sample of this study is companies listed on the Indonesia Stock Exchange for the 2020-2022 period. The number of samples used was 95 companies taken through purposive sampling. The analysis method of this study uses multiple regression analysis.

The results of the research conducted showed that the disclosure of ESG proxied by social disclosure, governance disclosure and ESG disclosure affects the financial performance proxied by ROA, the disclosure of ESG proxied ESG disclosure affects the financial performance proxied by ROE, then the disclosure of ESG proxied by environmental disclosure and social disclosure has an effect on the financial performance proxied by tobins'Q, while ESG disclosure proxied by environmental disclosure did not have a significant effect on the financial performance proxied by ROA, and ROE, for ESG disclosure proxied by social disclosure the results had no significant effect on the financial performance proxied by ROE, and Tobin's Q, and for the governance disclosure the results obtained did not have a significant effect on the financial performance proxied by ROA, while ESG disclosure proxied by ESG disclosure has no significant effect on ROE, and Tobin's Q as a proxy for financial performance.

***Keywords**: ESG, Financial Performance, company size, debt to equity ratio, operating margin, market capitalization*